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Dear Friend,

Thank you for contacting me regarding President Bush's desire to create private Social Security savings accounts. Although the President has not offered a specific plan, I am pleased to have the opportunity to discuss my views on the future of Social Security.

Social Security is facing a challenge, not a crisis. Republicans are scaring younger workers about Social Security's future, leading those workers to believe that the only way to protect their future is through private accounts. The truth is, even if nothing is done, the program will be fully solvent for almost fifty years, and even then it can continue to pay 80 percent of the current benefits.

In 2018, the Social Security Trust Fund is expected to send out more benefits than it collects in revenues. Over the following five years, the Fund will experience a \$283 billion shortfall between outlays and revenues. By 2042, the Fund will be bankrupt and only able to pay out eighty percent of promised benefits. These events can be attributed to a combination of increased life expectancy, decreased birthrates, and therefore smaller contributor base, and a projected increase of 36,000 retirees by 2030 due to the post-World War II "baby boom" generation.

There are three methods that would "save" Social Security for future generations: cut the amount of benefits, raise the eligibility age, or implementing means testing. These methods would lower the amount of money that Social Security pays out, while not reducing the amount of money that the current workforce contributes, therefore maintaining the Social Security Trust Fund. In addition to securing the current system, we must also improve the appeal and value of other retirement options – pensions and savings. Congress ought to make it easier for Americans to save and invest.

The private accounts do not solve the problem! In reality, they are an option that individuals who have other retirement incomes or savings should use. If Social Security is your sole source of retirement income, then these private accounts would put too much of your security at risk. The Republican plan would divert \$2 trillion out of the Social Security Trust Fund into private accounts. This means that the small funding shortfall that the Fund is experiencing today would become a much more serious one. The Social Security insolvency date would actually be moved up by 20 years to 2021, creating the crisis that Republicans claim already exists!

Currently, more than 47 million Americans receive Social Security benefits. The average benefit will be 2005 is \$950 a month, which accounts for more than half of most beneficiaries'